

~~TOP SECRET~~
IAC-D-55/8
(Final)
1 March 1955

INTELLIGENCE ADVISORY COMMITTEE

Semi-Annual Status Report

for the NSC on the Foreign Intelligence Program

Paragraph 10a of NSC 162/2* sets forth the primary missions of the US intelligence system in support of basic national security requirements. This report presents a statement and evaluation of capabilities to carry out these objectives as of 31 December 1954. Section I of the report is addressed primarily to the first of these three objectives (warning of aggression) and Section II to the other two (capabilities and intentions of foreign countries). Section III deals with problems of collection related to all three objectives. Problems of covert collection are considered in Section IV.

* Superseded by NSC 5501, dated 6 January 1955. The missions of the US intelligence system are reaffirmed in the same words (para. 56).

IAC-D-55/8
(Final)

1 March 1955

I. WARNING OF AGGRESSION

"Collecting and analyzing indications of hostile intentions that would give maximum prior warning of possible aggression or subversion in any area of the world." NSC 162/2, para. 10a(1)

1. National Intelligence Objectives. Pursuant to NSCID #4 the IAC on 14 December 1954 approved a new statement of "Priority National Intelligence Objectives" (DCID 4/4) which was prepared in the light of NSC 162/2. This basic revision of priority national intelligence objectives, which will be reviewed semi-annually, provides improved guidance to research and collection throughout the intelligence community and focuses attention upon those intelligence areas of greatest security concern.

2. Watch Committee of the IAC. For the purpose of supporting the mission of the IAC Watch Committee "to provide earliest possible warning to the United States Government of hostile action by the USSR, or its allies, which endangers the security of the United States" there has now been established, under the direction of the committee, an Indications Center. This center is staffed by representatives of the intelligence agencies who, in coordination with their parent agencies, analyze information from all sources and select and collate indications of Soviet/Communist hostile action or intentions affecting US national security for the consideration of the Watch Committee. This function is in counterdistinction to the warning provided through radar, spotters, and filter centers. For further support of the mission of the Watch Committee, there was issued on 30 November 1954 NSC Directive 5438 "Transmittal of Information to the IAC Watch Committee," which authorizes and directs appropriate departments and agencies of the Government to make fully available to the IAC Watch Committee all information and intelligence pertinent to its mission and functions."

3. Evaluation of US Warning Capabilities. On 14 September 1954 the IAC approved SNIE 11-8-54 "Probable Warning of Soviet Attack on the US Through Mid-1957," which estimates the amount of advance warning to be expected in the event of various types of attack which might be initiated by the USSR. It concludes that the US could

- 2 -

IAC-D-55/8

(Final)

1 March 1955

IAC-D-55/8
(Final)
1 March 1955

expect possibly as much as six months and not less than 30 days warning of Soviet preparations for a full-scale ground, sea, and air attack in the event of prior mobilization. It also concludes, however, that particularly by 1957 only a few hours or in some cases no specific warning, other than that provided by early warning radar, could be relied upon in event of various types and scales of surprise attack. A periodic review and revision of this estimate is contemplated.

Our advance warning largely depends on sifting a large quantity of material to discover those indications of enemy activity which suggest that measures are being taken to implement a decision to attack. The enemy's choice of the type of attack greatly affects our advance warning capability. We are largely dependent on radar and forward observation stations for early warning of air attack, in the event that our intelligence fails to discover indications of preparations therefor and if the USSR should risk launching such an attack without prior mobilization. We lack adequate penetrations of the Soviet Bloc that can be relied on to provide warning in the event that the enemy is willing to risk a surprise attack without extensive mobilization. Reports of troop movements and logistical activity are usually reported too late or are too inconclusive to give adequate early warning in such an event. We are exploiting all available sources of information and constantly striving to develop new and improved means of detection of attack.

As stated in SNIE 11-8-54 "The warning process is... affected by the whole context of events in which it operates, including psychological factors and even pure chance. It cannot be regarded as a mechanical process which it is possible for intelligence to set up once and for all and which thereafter operates automatically."

- 3 -

IAC-D-55/8
(Final)
1 March 1955

IAC-D-55/8

(Final)

1 March 1955

II. ESTIMATING THE CAPABILITIES AND INTENTIONS OF FOREIGN COUNTRIES

"Accurately evaluating the capabilities of foreign countries, friendly and neutral as well as enemy, to undertake military, political, economic, and subversive courses of action affecting US security." NSC 162/2, para. 10a(2)

"Forecasting potential foreign developments having a bearing on US national security." NSC 162/2, para. 10a(3)

1. National Intelligence Objectives. DCID 4/3 and 4/4 set up, respectively, comprehensive objectives for all countries and areas, and priority objectives for specific countries and subjects. DCID 4/4 particularly delineates more precisely than has been done heretofore the specific aspects of capabilities and intentions of certain countries that deserve priority attention.

2. National Intelligence Estimates. Since the last report, several major estimates have been produced dealing with Soviet Bloc capabilities and probable courses of action. Included in this group were three basic annual reviews: "Soviet Capabilities and Probable Courses of Action Through Mid-1959," "Communist Courses of Action in Asia Through 1957," and "Probable Developments in the European Satellites Through Mid-1956." In addition, three estimates were produced directly or indirectly in support of the NSC Study of "Net Capabilities of the USSR to Inflict Direct Injury Upon the Continental US and Key US Installations Overseas": "Soviet Gross Capabilities for Attacks on the US and Key Overseas Installations Through 1 July 1957," "Probable Warning of Soviet Attack on the US as of Mid-1957," and "Soviet Capabilities and Probable Programs in the Guided Missile Field." Seventeen estimates were produced on countries outside the Soviet Bloc. Much emphasis was given to the Far East, particularly to Indochina. Of the 24 NIE's published during the six-month period, 16 were related to specific NSC papers or policy decisions.

Continuing evaluation is taking place on means for improving the quality of National Intelligence Estimates. The entire production of 1953, and more recently, the production of the first six months of 1954

IAC-D-55/8

(Final)

IAC-D-55/8
(Final)
1 March 1955

(IAC-D-57/2) have been reviewed in order to identify and correct intelligence deficiencies. In addition, there is now before the IAC a special detailed "post-mortem" of NIE 11-6-54 "Soviet Capabilities and Probable Programs in the Guided Missile Field."

3. Basic Intelligence. The initial world coverage of the National Intelligence Survey is essentially 45% completed, including 2400 individual sections, mainly on JCS high priority areas. Present production is slightly below the scheduled rate of approximately 8 equivalent NIS per year. The over-all quality is being improved by better collection in support of the program.

4. Military Intelligence

a. General. At the present time, military intelligence is generally adequate to provide broad measurements of the military, logistic, industrial, and governmental control strengths of the USSR, Communist China, and the Satellites. However, significant detailed information available is fragmentary and it is essential to develop means to overcome present deficiencies in the collection field in order adequately to support US military plans, programs, and operations.

Limited gains were made during the past six months in the following fields: analysis of performance characteristics of new types of Soviet aircraft; data on the development of Soviet nuclear weapons; information on modifications of Soviet tactical doctrine in nuclear warfare; technical methods and devices for intelligence collection; Chinese Communist ground force dispositions; and knowledge of Soviet warship construction.

Nevertheless, military intelligence on the USSR and, to a lesser extent on Communist China and the Satellites, is inadequate in many critical fields. There is a serious lack of specific and detailed information on the following: the development, production, and deployment of guided missiles; other unconventional weapons; newly developed or modified conventional weapons; delivery systems, logistical capabilities and support; some components of the air defense system; and scientific and technical strengths as they affect military capabilities. Our knowledge continues to be inadequate on the

IAC-D-55/8

(Final)

1 March 1955

movements and dispositions of Soviet Bloc forces, particularly in the USSR. The cessation of hostilities in Indochina has resulted in a reduction of military intelligence on the Viet Minh.

Our knowledge of Soviet atomic energy progress is referred to in paragraph 7b (page 9). With respect to information on: (1) specific allocations by the USSR of available nuclear materials to types of weapons in the small, medium and large yield categories; (2) specific allocations of nuclear weapons and warheads to various delivery systems; and (3) actual disposition of nuclear weapons and warheads, our requirements continue to be unfulfilled.

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b. [REDACTED] Approximately 80% of the minimal requirements for [REDACTED]

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[REDACTED], in support of joint war plans were completed by the end of CY 1954. The remaining 20% of the minimal requirements are scheduled for completion by the end of CY 1955. Other [REDACTED] desired by the Services for development of the optimum opportunities for air action, were at the end of CY 1954 approximately 50% satisfied. Production to satisfy the remainder of these requirements continues to the maximum extent practicable and consonant with priority emphasis on highest and earliest readiness in support of joint war plans*

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5. Political Intelligence

a. The Soviet Bloc and Communist China. Political intelligence on the Soviet Orbit is built mainly upon the careful screening and evaluation of overt materials from the Soviet and Chinese Communist press, radio, and other information media. The flow of current material, plus the accumulated body of evaluated data and the development of a group of experienced analysts, make possible a reasonably accurate interpretation of political developments in the Soviet/Communist world.

Recent defections of fairly high level Soviet officials have served to confirm important aspects of existing intelligence analyses. Similarly, the observed course of events over the past year has borne out in most substantial particulars the intelligence estimates of probable post-Stalin developments in the USSR.

Our capability for assessing specific short-term intentions of the USSR and Communist China is inherently limited by the closed character of the Soviet and Communist Chinese decision-making systems. Although the Soviet/Communist regimes cannot mask their general international aims and attitudes, only a very high level penetration of these governments would make possible fully assured assessments of particular Soviet/Communist plans and intended actions.

b. The Free World. As a part of a long term look at the prospects in the cold war, special emphasis has been placed during the past six months on the situation in the underdeveloped areas of Asia, Africa, and Latin America; Communist capabilities in the Free World; and attitudes and reactions in the Free World and in the Soviet Bloc to nuclear weapons developments.

The revolution which overthrew a Communist regime in Guatemala and the disclosure of the Tudeh ring in the Iranian army have made available to US intelligence a new body of material on Communist tactics of infiltration and control. Analysis of these materials is expected to provide an improved understanding of Communist subversive capabilities in underdeveloped countries.

IAC-D-55/8
(Final)

1 March 1955

6. Economic Intelligence

a. General. Economic intelligence, like political intelligence, is essentially the product of collation and analysis of data from primarily overt sources. Economic intelligence on the Soviet Bloc has improved as a result of additional systematic analysis of the Soviet potential for economic growth and further basic studies of particular industries. Experimentation is under way on new economic research techniques for the evaluation of Soviet capabilities for supporting specialized weapons programs. Among the major unsolved problems are Soviet defense expenditures and Soviet agricultural growth capabilities.

b. Communist China. Economic research effort and the flow of intelligence materials on Communist China have increased, resulting in a better appreciation of Chinese Communist productive capabilities and of Sino-Soviet economic relationships. The output of certain basic industries, such as electric power, and iron and steel, is reasonably well established. Further information and research are required to determine agricultural and handicraft output, chemical and munitions output, transportation capabilities, and overall per capita consumption.

c. Economic Defense. In addition to a continuing review of major commodity problems for East-West trade controls, intelligence support for economic defense includes an assessment of possible long run economic developments within the Soviet Bloc as they relate to economic defense policies. Intelligence support for enforcement of economic defense measures has been maintained in spite of diminishing information on trade transactions. Intelligence on shipping engaged in Soviet Bloc trade continues to be good, and there has been some

with the [REDACTED] have produced substantial agreement on intelligence concerning Free World trade with Communist China, although significant differences still exist as to the type and quantity of cargoes reaching Communist China [REDACTED]

Moreover, information on unrecorded shipments remains inadequate.

d. Free World. Economic intelligence production on the Free World has concentrated on analysis of (a) improved economic conditions in Western Europe; (b) the unfavorable outlook for [REDACTED]

IAC-D-55/8

(Final)

TOP SECRET

Approved For Release 2000/04/11 : CIA-RDP61-00549R000100120015-6

IAC-D-55/8
(Final)

1 March 1955

foreign trade; and (c) the problem of economic development in underdeveloped areas. The results of this effort have been satisfactory.

e. Coordination. The Economic Intelligence Committee (EIC) has taken a more active part in guiding economic intelligence production and has continued its surveys to uncover economic research and collection deficiencies. In September, the EIC coordinated a draft DCID 15/1, later approved by the IAC, which delineates IAC agency responsibilities for production and coordination of foreign economic intelligence related to national security.

7. Scientific and Technical Intelligence

a. General. Through intensified collection and research our understanding of Soviet basic scientific capabilities, including the quality and quantity of their scientific manpower, has improved. In specific fields of science and technology, however, vast gaps in our knowledge still exist. Substantial improvement will require successful application of new collection techniques and improved analytical processes now under development.

b. Atomic Energy. The most significant advances in atomic energy intelligence have resulted

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related information received during the period under review have made more clear the current status of Soviet nuclear development and indicate that several nuclear weapon types are probably being stockpiled. These same data and information furnish guide lines for estimating the future course of Soviet nuclear developments.

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raises somewhat the confidence level in the estimates of Soviet U-235 production given in NIE 11-3-54. The apportionment between weapons types of the Soviet fissionable material stockpile, although susceptible of estimation by indirect methods of varying reliability, cannot yet be confirmed by direct evidence.

c. Guided Missiles. Preparation of the first national intelligence estimate on guided missiles revealed critical gaps in our knowledge. While certain new collection techniques and data

TOP SECRET

IAC-D-55/8

(Final)

1 March 1955

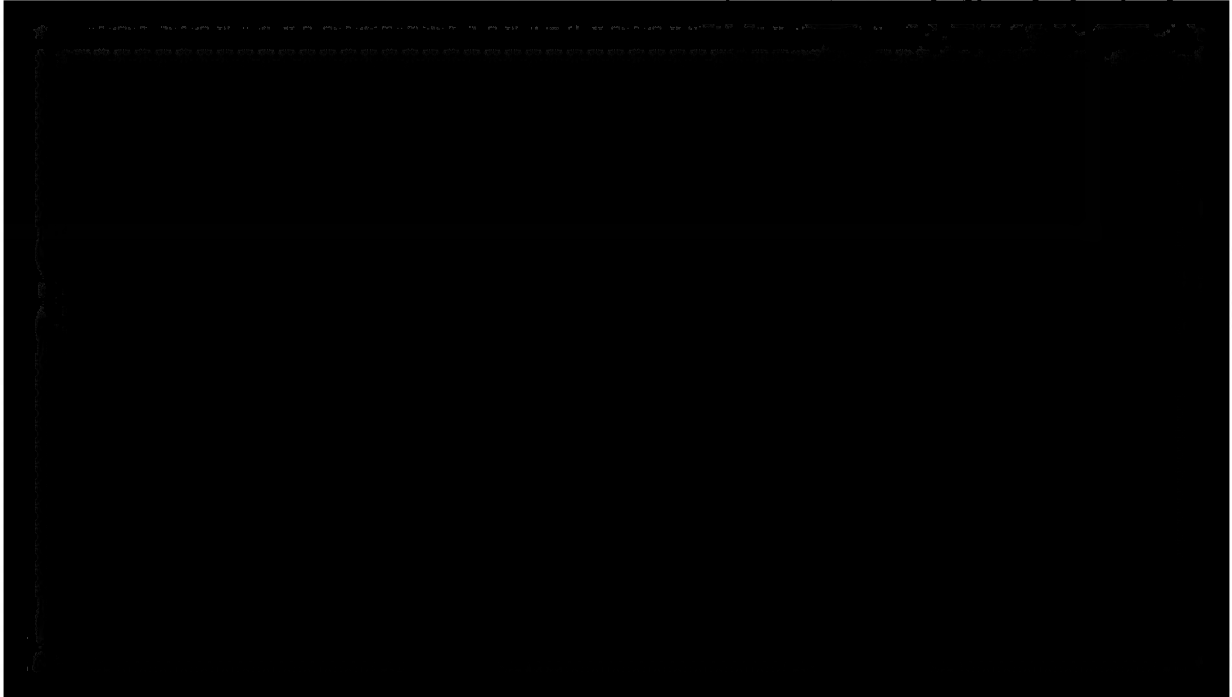
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Approved For Release 2000/04/11 : CIA-RDP61-00549R000100120015-6

IAC-D-55/8
(Final)
1 March 1955

reduction methods give promise of better information, their development has not yet progressed to the point of providing the information required. A US [REDACTED] on Soviet 25X1C 25X1C guided missiles capabilities, held in [REDACTED] in November, found the independently prepared US [REDACTED] estimates to be relatively close. 25X1C

d. Biological Warfare. Following production of SEC 2-54, "Soviet Biological Warfare Capabilities Through 1960" the first community-wide estimate in this field, a joint study of critical deficiencies in biological warfare intelligence and recommended means for their elimination has been undertaken. Coordinated all-source research by IAC member agencies on certain suspected Soviet biological warfare installations has been largely completed. Despite these efforts, positive knowledge of the existence and nature of a Soviet BW program has yet to be established.



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- 10 -

IAC-D-55/8
(Final)
1 March 1955

Approved For Release 2000/04/11 : CIA-RDP61-00549R000100120015-6

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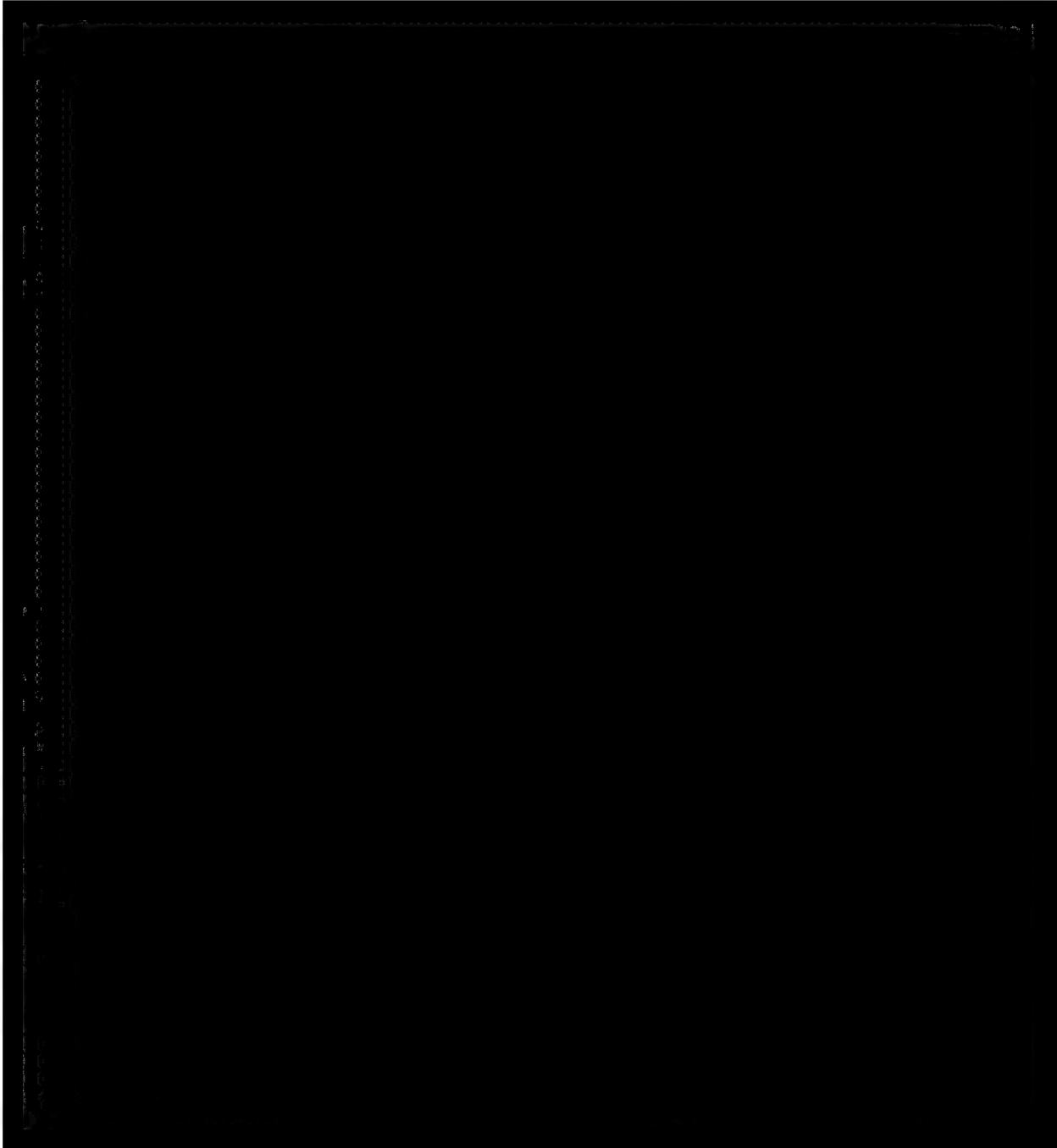
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IAC-D-55/8

(Final)

1 March 1955

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- 11 -

IAC-D-55/8

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Approved For Release 2000/04/11 : CIA-RDP61-00549R000100120015-6

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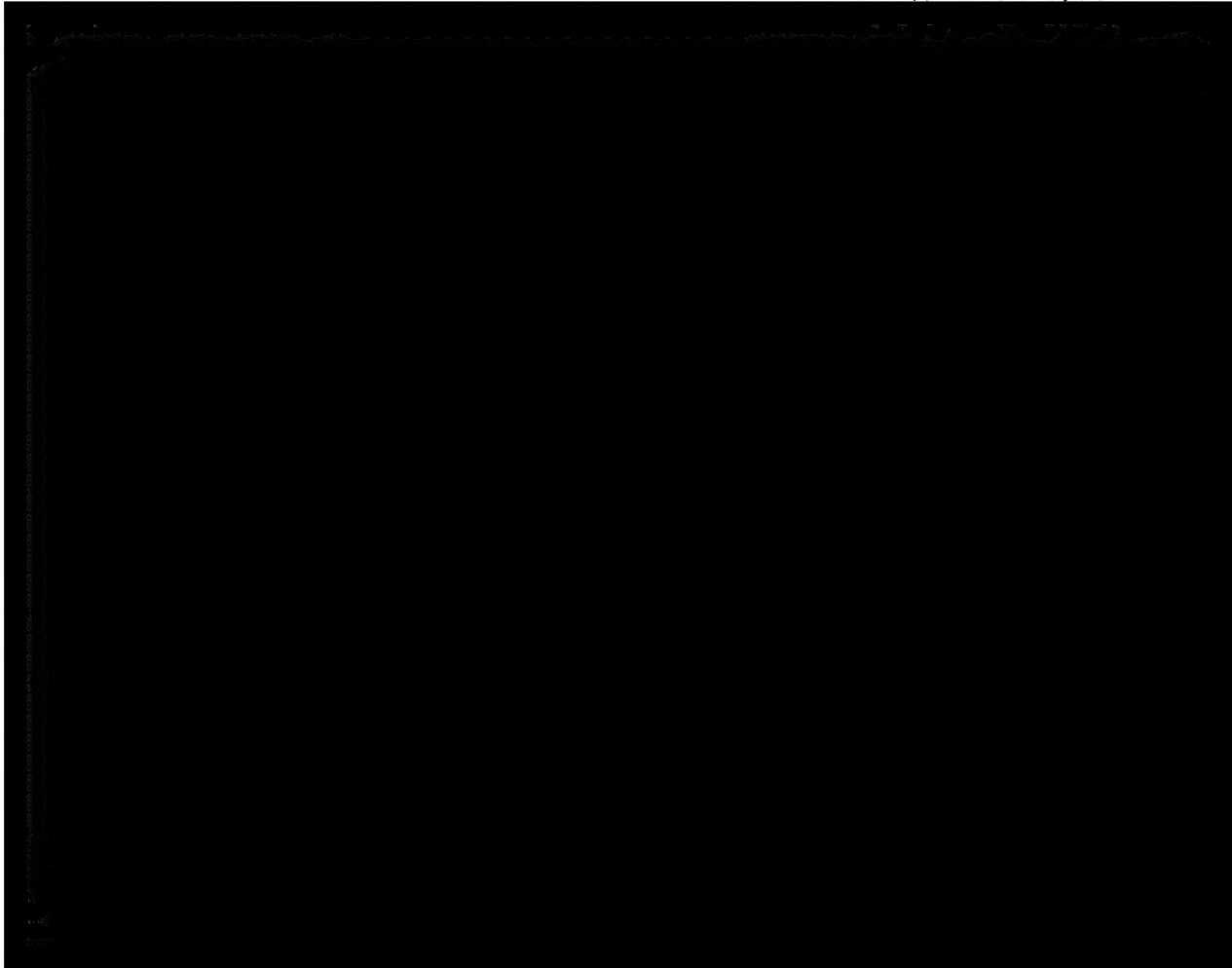
Approved For Release 2000/04/11 : CIA-RDP61-00549R000100120015-6

IAC-D-55/8

(Final)

1 March 1955

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5. Aerial Reconnaissance. The trend toward exploiting aerial reconnaissance opportunities continues together with improving capabilities. Reconnaissance operations continue to be performed within the framework of policy considerations of other than an intelligence nature. Research and development are producing promising results in equipment and techniques. Establishment of an Army Photo Interpretation Center has been approved.



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- 12 -

IAC-D-55/8

(Final)

1 March 1955

Approved For Release 2000/04/11 : CIA-RDP61-00549R000100120015-6

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Approved For Release 2000/04/11 : CIA-RDP61-00549R000100120015-6

IAC-D-55/8

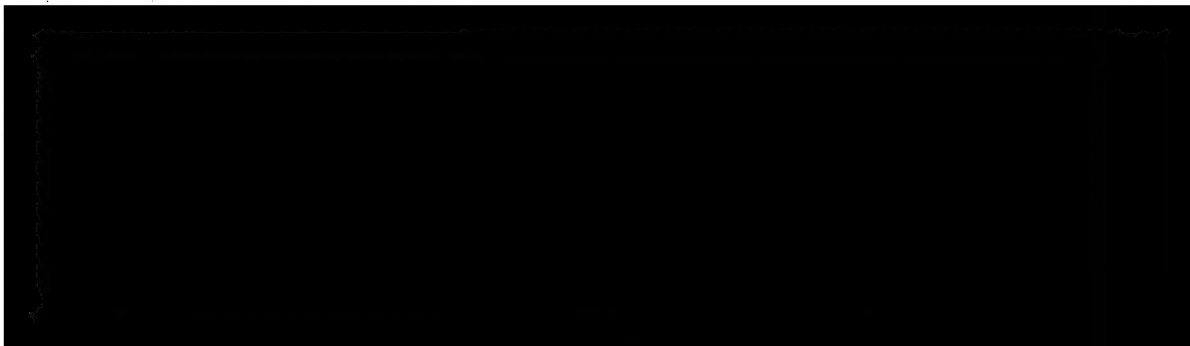
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1 March 1955

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IAC-D-55/8

(Final)

Approved For Release 2000/04/11 : CIA-RDP61-00549R000100120015-6

TOP SECRET

IAC-D-55/8
(Final)
1 March 1955

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b. Non-Communications Electronic Intercept (ELINT).
ELINT collection activities have assisted materially in gathering information on Soviet equipment and systems, including identification of AI radar in operational use and the establishment of the general nature of Soviet navigational systems. Much remains to be done before a satisfactory integration of the US ELINT effort can be

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12. Foreign Language Publications. Further progress has been made in the coordination of foreign publications procurement, particularly from Communist China, and a greater and speedier flow of publications from that area is expected in 1955.

IAC-D-55/8
(Final)
1 March 1955

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Approved For Release 2000/04/11 : CIA-RDP61-00549R000100120015-6

Approved For Release 2000/04/11 : CIA-RDP61-00549R000100120015-6